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Canada. National Energy Board
Transcanada pipelines limited



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National Energy Board

Office national de l'énergie



File Nos.: 1555-T1-149
1555-K13-1
1555-T1-153

18 May 1988

TO: Mr. J.M. Murray
Assistant General Counsel
TransCanada PipeLines Limited

AND TO: Mr. E.D. Learoyd
KannGaz Producers Ltd.

AND TO: Ms. Joan T. Horte
MacDonald, Affleck, Cooligan
Barristers and Solicitors
(Counsel for KannGaz)

AND TO: Parties of Record to GH-2-87

Re: TransCanada PipeLines Limited
Application dated 9 June 1987, as amended, pursuant to
Parts III and IV of the NEB Act, seeking relief under
sections 44 and 49 thereof and seeking applicable toll
orders; and
Application dated 18 August 1987, pursuant to NEB Order
No. TG-3-87, seeking relief under subsection 7.1.7 of NEB
Reasons for Decision RH-3-86; and
Application dated 29 March 1988, pursuant to Part III of
the NEB Act, seeking relief under section 49 thereof.

KannGaz Producers Ltd

Application dated 23 July 1987, pursuant to Part IV of
the NEB Act, seeking relief under subsection 59(3)
thereof; and
Application dated 29 October 1987, pursuant to Part IV of
the NEB Act, seeking relief under subsection 59(2)
thereof.

Pursuant to Hearing Order No. GH-2-87, as amended, the Board
held a public hearing from 17 November 1987 to 29 February 1988 to
consider, inter alia, an application by TransCanada PipeLines
Limited ("TransCanada") pursuant to Parts III and IV of the

National Energy Board Act (the "Act") concerning:

- (a) facilities to be constructed on the TransCanada system to transport projected sales and transportation requirements in the export and domestic markets for the contract years starting 1 November 1988 and 1 November 1989; and
- (b) related toll methodology matters.

In the aforementioned public hearing, the Board also considered:

- (i) TransCanada's 18 August 1987 application for approval of further amendments to the TransCanada/Great Lakes Gas Transmission Company transportation contract of 12 September 1967; and
- (ii) applications by KannGaz Producers Ltd. for orders issued pursuant to Part IV of the Act requiring TransCanada to provide access to and facilities on its pipeline system for the receipt, transmission, and delivery of natural gas for export at Niagara Falls, Ontario, to Tennessee Gas Pipeline Company under Licence GL-77.

Subsequent to the close of the hearing, TransCanada filed an application dated 29 March 1988 pursuant to Part III of the Act for the construction of facilities to meet additional requests for service for the 1988-89 contract year and for the advancement of the in-service dates of certain facilities included in its 9 June 1987 application, as amended. TransCanada submitted that in order to meet the scheduled in-service dates and to be able to meet its total requirements for the 1988-89 contract year, an early decision on its application would be necessary.

By telex dated 31 March 1988, the Board informed parties of record to GH-2-87 that it considered TransCanada's 29 March 1988 application to consist of:

- (1) an amendment to its 9 June 1987 application; and
- (2) a distinct Part III application for incremental facilities.

The aforementioned parties were invited to comment on (1) and (2) above.

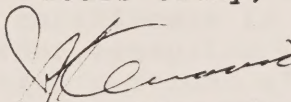
In view of timing constraints related to the 1988 construction season, the Board has rendered its decision with respect to those facilities included in TransCanada's 9 June 1987 application which are scheduled to be in service during the 1988-89 contract year and with respect to certain of the incremental facilities applied for by TransCanada in its 29 March 1988 application. In view of concerns regarding financing and the timely and cost effective construction of the Ocean State Power Project, the Board also has issued its decision in respect of additional facilities to serve exports by ProGas Limited to Ocean State Power at Niagara Falls

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under licence GL-101 commencing 1 November 1989. The Board has in addition rendered its decision in respect of the appropriate toll methodology applicable to the aforementioned facilities. The Board's decisions and the relevant orders are attached hereto.

The Board's Reasons for Decision with respect to the above-mentioned matters will be released at a later date in conjunction with the Board's decisions and Reasons for Decision concerning the remainder of the applied-for facilities, related Part III and Part IV matters, TransCanada's 18 August 1987 application and, if necessary, KannGaz's applications.

Yours truly,


U.S. Klenavic
Secretary

Attach.



IN THE MATTER OF the National Energy Board Act, R.S.C. 1970, c. N-6, as am. (the "Act"), and the Regulations made thereunder; and

IN THE MATTER OF an application dated 9 June 1987, as amended, by TransCanada PipeLines Limited ("TransCanada" or "TCPL") pursuant to Parts III and IV of the Act, for a certificate in respect of certain proposed facilities, for an order exempting those facilities from the provisions of certain sections of the Act and for certain toll orders; filed with the National Energy Board under File No. 1555-T1-149; and

IN THE MATTER OF National Energy Board Directions on Procedure GH-2-87, as amended; and

IN THE MATTER OF an application dated 29 March 1988, by TransCanada, pursuant to Part III of the Act for an order exempting certain proposed facilities from certain sections of the Act; filed with the National Energy Board (the "Board") under File No. 1555-T1-153.

DECISION

Having considered the evidence adduced at the public hearing held pursuant to Hearing Order No. GH-2-87, the arguments and submissions made by all parties, and the submissions by TransCanada and parties of record to GH-2-87 in respect of TransCanada's application dated 29 March 1988, the Board has authorized for construction and operation certain of the pipeline facilities requested by TransCanada for the 1988-89 and 1989-90 contract years.

I. TCPL's Application Dated 9 June 1987

The Board has decided, pursuant to its powers under section 16.2 of the Act, to grant exemptions pursuant to section 49 of the Act rather than approval under section 44 thereof for the following facilities.

I.1 Central Section and Dawn Extension

The Board has exempted the proposed aftercoolers at compressor stations 49, 58, 69 and 80 and the proposed upgrades of existing compressor units at stations 52, 60, 88 and 102 from sections 26, 27, and 38 of the Act, pursuant to sections 16.2 and 49 thereof. A copy of Board Order No. XG-6-88, granting this relief, is attached hereto.

The Board has exempted the proposed 8.8 kilometre ("km") loop of TransCanada's Dawn Extension from paragraph 26(1)(a), subsection 26(2) and section 27 of the Act, pursuant to sections 16.2 and 49 thereof. A copy of Board Order No. XG-7-88, granting this relief, is attached hereto.

I.2 Niagara Line

The Board has exempted 35.8 km of the proposed loop of the Niagara Line and the proposed relocation of a 3.2 megawatt ("MW") compressor unit to station 209 from paragraph 26(1)(a), subsection 26(2) and section 27 of the Act, pursuant to sections 16.2 and 49 thereof. A copy of Board Order No. XG-8-88, granting this relief, is attached hereto.

I.3 St. Mathieu Extension

The Board has exempted the proposed 4.5 km loop of the St. Mathieu Extension from paragraph 26(1)(a), subsection 26(2) and section 27 of the Act, pursuant to sections 16.2 and 49 thereof. A copy of Board Order No. XG-9-88, granting this relief, is attached hereto.

II. TCPL's Application Dated 29 March 1988 for Incremental Facilities

The Board has exempted the proposed relocation of a 10.4 MW portable compressor to station 95 and the proposed relocation of a 5.7 MW compressor to station 147 from paragraph 26(1)(a), subsection 26(2) and section 27 of the Act, pursuant to section 49 thereof. A copy of Board Order No. XG-10-88, granting this relief, is attached hereto.

The Board will not further consider the portion of TransCanada's application pertaining to the construction of 19.1 km of loop of the Montreal Line until TransCanada has filed evidence that it has, pursuant to subsection 75(1) of the Act, completed service of notice on each owner of lands that may be required for the purposes of said loop.

III. Ocean State Power

The Board will recommend to the Governor in Council that the necessary approvals be granted in respect of the additional facilities required to expand the capacity of the TransCanada system so that it may transport, as a minimum, exports by ProGas Limited to Ocean State Power at Niagara Falls under licence GL-101 commencing on 1 November 1989. Details of the necessary approvals will be provided in the Board's Reasons for Decision.

IV. Toll Methodology

The Board has decided that the rolled-in method of cost allocation and toll design will be appropriate in respect of the above-authorized facilities which are proposed for the transportation of volumes in accordance with TransCanada's General Terms and Conditions.

The Board has decided that any incremental costs incurred by TransCanada to guarantee the provision of delivery pressure in excess of 4000 kilopascals (580 pounds per square inch gauge) at any delivery point on the TransCanada system shall be recovered through an incremental two-part delivery pressure toll to be collected from all shippers using that delivery point. The demand component of the toll shall recover the deemed owning and operating costs of the facilities which are required to provide this incremental service. The commodity component shall recover the costs of the compressor fuel used to elevate the pressure of the delivered gas above 4000 kilopascals and the FS transportation toll at 100% load factor to move this fuel from the Alberta border to the zone in which it is consumed. TransCanada is required to derive delivery pressure tolls effective 1 January 1989 using the above methodology for each applicable delivery point for examination at the upcoming TransCanada toll proceedings (RH-1-88).

Ottawa, Ontario
May 1988



ORDER NO. XG-6-88

IN THE MATTER OF the National Energy Board Act (hereinafter referred to as "the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application, dated 9 June 1987, as amended, by TransCanada PipeLines Limited (hereinafter referred to as "TransCanada") pursuant to Parts III and IV of the Act, seeking, inter alia, a certificate in respect of certain pipeline facilities; filed with the National Energy Board (hereinafter referred to as "the Board") under File No. 1555-T1-149.

B E F O R E the Board on 9 May 1988.

WHEREAS TransCanada has represented that its proposed pipeline facilities are required to transport additional volumes of natural gas for domestic and export requirements;

AND WHEREAS a public hearing was held pursuant to Hearing Order GH-2-87, in the City of Ottawa, in the Province of Ontario, at which the Board heard TransCanada and all interested parties;

AND WHEREAS TransCanada has filed an application dated 29 March 1988, under File No. 1555-T1-153, pursuant to Part III of the Act for an order exempting certain pipeline facilities from the provisions of certain sections of the Act;

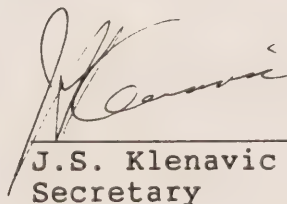
AND WHEREAS interested parties have made their comments known to the Board in respect of the application dated 29 March 1988;

AND WHEREAS the Board has found that the pipeline facilities described in Schedule "A" attached to and forming part of this order, are and will be required by the present and future public convenience and necessity;

IT IS ORDERED THAT pursuant to sections 16.2 and 49 of the Act, the facilities described in Schedule "A" attached hereto are exempt from the provisions of sections 26, 27 and 38 of the Act upon the following conditions:

1. TransCanada shall, at least 10 days prior to the commencement of construction of the additional facilities, file with the Board a detailed construction schedule or schedules identifying major construction activities and shall notify the Board of any modifications to the schedule or schedules as they occur.
2. TransCanada shall, at least 10 days prior to the commencement of construction, file with the Board a description of the plans and procedures for cost control of the project.
3. TransCanada shall, within six months of putting the facilities into service, file with the Board a report providing
 - (a) a breakdown of the costs incurred in the construction of the additional facilities in the format used in Schedules 12 to 15, inclusive, of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, setting forth actual versus estimated costs, including reasons for significant differences from estimates; and
 - (b) the percentage of Canadian content realized in comparison with that estimated in Schedule 21 of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, including reasons for significant differences.
4. TransCanada shall cause the construction and installation of the additional facilities, herein referred to, to be commenced on or before 31 December 1989.

NATIONAL ENERGY BOARD



J.S. Klenavic
Secretary

SCHEDULE "A"

<u>Description</u>	TransCanada's <u>Estimated Direct Costs</u> (1988 Dollars)
<u>Aftercoolers</u>	
Aftercooler installation at Station 49	\$ 8,720,000
Aftercooler installation at Station 58	4,580,000
Aftercooler installation at Station 69	4,580,000
Aftercooler installation at Station 80	<u>4,000,000</u>
Sub-total	\$21,880,000
<u>Upgrade of Existing Turbine/Compressor Units</u>	
3.4 MW Compressor Unit Upgrade at Station 52	
3.4 MW Compressor Unit Upgrade at Station 60	
3.4 MW Compressor Unit Upgrade at Station 88	
3.4 MW Compressor Unit Upgrade at Station 102	
Sub-total	<u>\$ 9,820,000</u>
Total	\$31,700,000



ORDER NO. XG-7-88

IN THE MATTER OF the National Energy Board Act (hereinafter referred to as "the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application, dated 9 June 1987, as amended, by TransCanada PipeLines Limited (hereinafter referred to as "TransCanada") pursuant to Parts III and IV of the Act, seeking, inter alia, a certificate in respect of certain pipeline facilities and an order exempting those pipeline facilities from the provisions of certain sections of the Act; filed with the National Energy Board (hereinafter referred to as "the Board") under File No. 1555-T1-149.

B E F O R E the Board on 9 May 1988.

WHEREAS TransCanada has represented that its proposed pipeline facilities are required to transport additional volumes of natural gas for domestic and export requirements;

AND WHEREAS a public hearing was held pursuant to Hearing Order GH-2-87, in the City of Ottawa, in the Province of Ontario, at which the Board heard TransCanada and all interested parties;

AND WHEREAS TransCanada has filed an application dated 29 March 1988, under File No. 1555-T1-153, pursuant to Part III of the Act, for an order exempting certain pipeline facilities from the provisions of certain sections of the Act;

AND WHEREAS interested parties have made their comments known to the Board in respect of the application dated 29 March 1988;

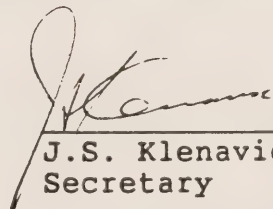
AND WHEREAS the Board has found that the pipeline facilities described in Schedule "A" attached to and forming part of this order, are and will be required by the present and future public convenience and necessity;

IT IS ORDERED THAT pursuant to sections 16.2 and 49 of the Act, the facilities described in Schedule "A" attached hereto are exempt from the provisions of paragraph 26(1)(a), subsection 26(2) and section 27 of the Act upon the following conditions:

1. TransCanada shall, at least 10 days prior to the commencement of construction of the additional facilities, file with the Board a detailed construction schedule or schedules identifying major construction activities and shall notify the Board of any modifications to the schedule or schedules as they occur.
2. TransCanada shall, at least 10 days prior to the commencement of pipeline construction, file with the Board pipeline construction alignment drawings.
3. TransCanada shall, at least 10 days prior to the commencement of construction, file with the Board a description of the plans and procedures for cost control of the project.
4. TransCanada shall, prior to commencement of pipeline welding, file with the Board an affidavit, signed by a professional engineer, confirming that the welding procedures and the non-destructive testing procedures to be used during the project have been qualified in accordance with Response (i)(c) of Exhibit B-172 to the GH-2-87 proceedings.
5. TransCanada shall, within six months of putting the facilities into service, file with the Board a report providing
 - (a) a breakdown of the costs incurred in the construction of the additional facilities in the format used in Schedule 9 of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings setting forth actual versus estimated costs, including reasons for significant differences from estimates; and
 - (b) the percentage of Canadian content realized in comparison with that estimated in Schedule 21, of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, including reasons for significant differences.
6. TransCanada shall implement all the policies, practices, recommendations and procedures for the protection of the environment included in its application, its environmental reports, its Pipeline Construction Specifications, its Environmental Protection Practices Handbook, 1986, its undertakings made to the Minister of Energy for Ontario and otherwise adduced in evidence before the Board in these proceedings.

7. (1) TransCanada shall file with the Board a post-construction environmental report within six months of the date that the last leave to open is granted for the approved facilities.
- (2) The post-construction environmental report referred to in subsection (1) shall set out the environmental issues that have arisen up to the date on which the report is filed and shall
 - (a) indicate the issues resolved and those unresolved; and
 - (b) describe the measures the company proposes to take in respect of the unresolved issues.
- (3) TransCanada shall file with the Board, on or before the 31 December that follows each of the first two complete growing seasons after the post-construction environmental report referred to in subsection (1) is filed,
 - (a) a list of the environmental issues indicated as unresolved in the report and those that have arisen since the report was filed, if any; and
 - (b) a description of the measures the company proposes to take in respect of any unresolved environmental issue.
8. TransCanada shall cause the construction and installation of the additional pipeline, herein referred to, to be commenced on or before 31 December 1988.

NATIONAL ENERGY BOARD



J.S. Klenavic
Secretary

SCHEDULE "A"

<u>Description</u>	<u>TransCanada's</u> <u>Estimated Direct Costs</u> (1988 Dollars)
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Pipeline

8.8 km of 914 mm loop of the Dawn Extension from MLV 501 to MLV 501 + 8.8 km.	\$8,193,000
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ORDER NO. XG-8-88

IN THE MATTER OF the National Energy Board Act (hereinafter referred to as "the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application, dated 9 June 1987, as amended, by TransCanada PipeLines Limited (hereinafter referred to as "TransCanada") pursuant to Parts III and IV of the Act, seeking, inter alia, a certificate in respect of certain pipeline facilities and an order exempting those pipeline facilities from the provisions of certain sections of the Act; filed with the National Energy Board (hereinafter referred to as "the Board") under File No. 1555-T1-149.

B E F O R E the Board on 9 May 1988.

WHEREAS TransCanada has represented that its proposed pipeline facilities are required to transport additional volumes of natural gas for domestic and export requirements;

AND WHEREAS a public hearing has been held pursuant to Hearing Order GH-2-87, in the City of Ottawa, in the Province of Ontario, at which the Board heard TransCanada and all interested parties;

AND WHEREAS TransCanada testified at said public hearing that a lesser amount of pipeline facilities would be required in 1988 than that applied for in its application;

AND WHEREAS the Board has found that a lesser amount of pipeline facilities than that applied for in said application is in the public interest;

AND WHEREAS the Board has found that the facilities described in Schedule "A" attached to and forming part of this order, are and will be in the present and future public convenience and necessity;

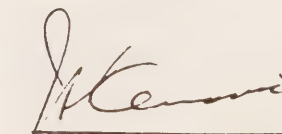
IT IS ORDERED THAT pursuant to sections 16.2 and 49 of the Act, the facilities described in Schedule "A" attached hereto are exempt from the provisions of paragraph 26(1)(a), subsection 26(2) and section 27 of the Act upon the following conditions, as applicable:

1. TransCanada shall, at least 10 days prior to the commencement of construction of the additional facilities, file with the Board a detailed construction schedule or schedules identifying major construction activities and shall notify the Board of any modifications to the schedule or schedules as they occur.
2. TransCanada shall, at least 10 days prior to the commencement of pipeline construction, file with the Board pipeline construction alignment drawings.
3. TransCanada shall, at least 10 days prior to the commencement of construction, file with the Board a description of the plans and procedures for cost control of the project.
4. TransCanada shall, prior to commencement of pipeline welding, file with the Board an affidavit, signed by a professional engineer, confirming that the welding procedures and the non-destructive testing procedures to be used during the project have been qualified in accordance with Response (i)(c) of Exhibit B-172 to the GH-2-87 proceedings.
5. TransCanada shall, at least 10 days prior to commencement of site preparation for the crossing of Twelve Mile Creek, file with the Board
 - (a) the construction schedule for the crossing; and
 - (b) detailed drawings and specifications for the crossing.
6. TransCanada shall, within six months of putting the facilities into service, file with the Board a report providing
 - (a) a breakdown of the costs incurred in the construction of the additional facilities in the format used in Schedules 4 and 6 of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, setting forth actual versus estimated costs, including reasons for significant differences from estimates; and
 - (b) the percentage of Canadian content realized in comparison with that estimated in Schedule 21, of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, including reasons for significant differences.

7. (1) The exemption from paragraphs (b) and (c) of section 27 of the Act shall not take effect until such time as
- (a) all necessary option or easement agreements have been executed by all owners of lands proposed to be acquired in connection with the facilities described in Schedule "A" attached hereto; and
 - (b) TransCanada notifies the Board that the agreements referred to in paragraph (a) have been executed.
- (2) Unless the conditions prescribed in paragraphs (a) and (b) of subsection (1) have been satisfied, TransCanada shall, prior to the commencement of construction of the facilities referred to in paragraph (a) of subsection (1), file for the approval of the Board, a plan, profile and book of reference of said facilities.
- (3) If a plan, profile and book of reference are filed pursuant to subsection (2), the procedure to be followed in respect of Board approval of such plan, profile and book of reference will be that which is set out in subsections 29.1 to 29.6, inclusive, of the Act.
8. TransCanada shall implement all the policies, practices, recommendations and procedures for the protection of the environment included in its application, its environmental reports, its Pipeline Construction Specifications, its Environmental Protection Practices Handbook, 1986, its undertakings made to the Minister of Energy for Ontario and otherwise adduced in evidence before the Board in these proceedings.
9. (1) TransCanada shall file with the Board a post-construction environmental report within six months of the date that the last leave to open is granted for the approved facilities.
- (2) The post-construction environmental report referred to in subsection (1) shall set out the environmental issues that have arisen up to the date on which the report is filed and shall
- (a) indicate the issues resolved and those unresolved; and
 - (b) describe the measures the company proposes to take in respect of the unresolved issues.

- (3) TransCanada shall file with the Board, on or before the 31 December that follows each of the first two complete growing seasons after the construction environmental report referred to in subsection (1) is filed,
- (a) a list of the environmental issues indicated as unresolved in the report and those that have arisen since the report was filed, if any; and
 - (b) a description of the measures the company proposes to take in respect of any unresolved environmental issue.
10. TransCanada shall, prior to the commencement of construction of the facilities, demonstrate to the Board's satisfaction that
- (a) all necessary United States Economic Regulatory Administration and Federal Energy Regulatory Commission approvals have been granted in final non-appealable form in respect of the anticipated export volumes and any necessary downstream facilities;
 - (b) transportation contracts with respect to the transportation of the anticipated export volumes on the TransCanada system have been executed; and
 - (c) in respect of the 847 thousand cubic metres per day (29.9 MMcfd) scheduled to flow by 1 November 1988, KannGaz Producers Ltd. and Tennessee Gas Pipeline Company have, throughout the full term of their Gas Purchase contract, dated 1 November 1987, waived the various as-billed contractual provisions which provide for the suspension or termination of said contract.
11. TransCanada shall cause the construction and installation of the additional facilities, herein referred to, to be commenced on or before 31 December 1988.

NATIONAL ENERGY BOARD



J.S. Klenavic
Secretary

SCHEDULE "A"

<u>Description</u>	TransCanada's <u>Estimated Direct Costs</u> (1987 Dollars)
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Pipeline

16.7 km of 914 mm loop of the Niagara Line
From MLV 209 to MLV 209 + 16.7 km

19.1 km of 914 mm loop of the Niagara Line
from MLV 211 to MLV 211A + 6.7 km

Sub-total	\$35,200,000
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Compression

Relocation of a 3.2 MW Compressor unit from Station 139 to Station 209	<u>1,960,000</u>
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Total	\$37,160,000
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ORDER NO. XG-9-88

IN THE MATTER OF the National Energy Board Act (hereinafter referred to as "the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application, dated 9 June 1987, as amended, by TransCanada PipeLines Limited (hereinafter referred to as "TransCanada") pursuant to Parts III and IV of the Act, seeking, inter alia, a certificate in respect of certain pipeline facilities and an order exempting those pipeline facilities from the provisions of certain sections of the Act; filed with the National Energy Board (hereinafter referred to as "the Board") under File No. 1555-T1-149.

B E F O R E the Board on 9 May 1988.

WHEREAS TransCanada has represented that its proposed pipeline facilities are required to transport additional volumes of natural gas for domestic and export requirements;

AND WHEREAS a public hearing has been held pursuant to Hearing Order GH-2-87, in the City of Ottawa, in the Province of Ontario, at which the Board heard TransCanada and all interested parties;

AND WHEREAS the Board has found that the pipeline facilities described in Schedule "A" attached to and forming part of this order, are and will be required by the present and future public convenience and necessity;

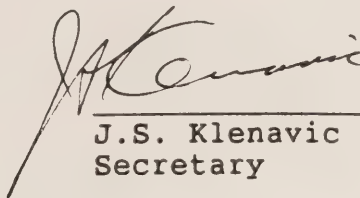
IT IS ORDERED THAT pursuant to sections 16.2 and 49 of the Act the facilities described in Schedule "A" attached hereto are exempt from the provisions of paragraph 26(1)(a), subsection 26(2) and section 27 of the Act upon the following conditions:

1. TransCanada shall, at least 10 days prior to the commencement of construction of the additional facilities, file with the Board a detailed construction schedule or schedules identifying major construction activities and shall notify the Board of any modifications to the schedule or schedules as they occur.
2. TransCanada shall, at least 10 days prior to the commencement of pipeline construction, file with the Board pipeline construction alignment drawings.
3. TransCanada shall, at least 10 days prior to the commencement of construction, file with the Board a description of the plans and procedures for cost control of the project.
4. TransCanada shall, prior to commencement of pipeline welding, file with the Board an affidavit, signed by a professional engineer, confirming that the welding procedures and the non-destructive testing procedures to be used during the project have been qualified in accordance with Response (i)(c) of Exhibit B-172 to the GH-2-87 proceedings.
5. TransCanada shall, within six months of putting the facilities into service, file with the Board a report providing a breakdown of the costs incurred in the construction of the additional facilities in the format used in Schedule 5 of Tab 10 under Tab "Facilities" of Exhibit B-11 to these proceedings, setting forth actual versus estimated costs, including reasons for significant differences from estimates.
6. (1) The exemption from paragraphs (b) and (c) of section 27 of the Act shall not take effect until such time as
 - (a) all necessary option or easement agreements have been executed by all owners of lands proposed to be acquired in connection with the facilities described in Schedule "A" attached hereto; and
 - (b) TransCanada notifies the Board that the agreements referred to in paragraph (a) have been executed.

- (2) Unless the conditions prescribed in paragraphs (a) and (b) of subsection (1) have been satisfied, TransCanada shall, prior to the commencement of construction of the facilities referred to in paragraph (a) of subsection (1), file for the approval of the Board, a plan, profile and book of reference of said facilities.
 - (3) If a plan, profile and book of reference are filed pursuant to subsection (2), the procedure to be followed in respect of Board approval of such plan, profile and book of reference will be that which is set out in subsections 29.1 to 29.6, inclusive, of the Act.
7. TransCanada shall implement all the policies, practices, recommendations and procedures for the protection of the environment included in its application, its environmental reports, the Pipeline Construction Specifications, its Environmental Protection Practices Handbook, 1986, its undertakings made to the Minister of Energy for Ontario and otherwise adduced in evidence before the Board in these proceedings.
8. (1) TransCanada shall file with the Board a post-construction environmental report within six months of the date that the last leave to open is granted for the approved facilities.
- (2) The post-construction environmental report referred to in subsection (1) shall set out the environmental issues that have arisen up to the date on which the report is filed and shall
- (a) indicate the issues resolved and those unresolved; and
 - (b) describe the measures the company proposes to take in respect of the unresolved issues.
- (3) TransCanada shall file with the Board, on or before the 31 December that follows each of the first two complete growing seasons after the post-construction environmental report referred to in subsection (1) is filed,
- (a) a list of the environmental issues indicated as unresolved in the report and those that have arisen since the report was filed, if any; and
 - (b) a description of the measures the company proposes to take in respect of any unresolved environmental issue.

9. TransCanada shall cause the construction and installation of the additional pipeline, herein referred to, to be commenced on or before 31 December 1988.

NATIONAL ENERGY BOARD



J.S. Klenavic
Secretary

SCHEDULE "A"

<u>Description</u>	<u>TransCanada's Estimated Direct Costs (1987 Dollars)</u>
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Pipeline

4.5 km of 508 mm loop of the
St. Mathieu Extension from
MLV 802 + 6.9 km to
MLV 802 + 11.4 km

\$2,528,000



ORDER NO. XG-10-88

IN THE MATTER OF the National Energy Board Act (hereinafter referred to as "the Act") and the Regulations made thereunder; and

IN THE MATTER OF an application, dated 29 March 1988 by TransCanada PipeLines Limited (hereinafter referred to as "TransCanada") pursuant to Part III of the Act for an order exempting certain pipeline facilities from the provisions of certain sections of the Act; filed with the National Energy Board (hereinafter referred to as "the Board") under File No. 1555-T1-153.

B E F O R E the Board on 9 May 1988.

WHEREAS TransCanada has represented that its proposed facilities are required to transport additional volumes of natural gas for domestic requirements;

AND WHEREAS interested parties have made their comments known in respect of TransCanada's application;

AND WHEREAS the Board has found that the facilities described in Schedule "A" attached to and forming part of this order, are in the public interest;

IT IS ORDERED THAT pursuant to section 49 of the Act, the facilities described in Schedule "A" attached hereto are exempt from the provisions of paragraph 26(1)(a), subsection 26(2) and section 27 of the Act upon the following conditions:

1. TransCanada shall, at least 10 days prior to the commencement of construction of the additional facilities, file with the Board a detailed construction schedule or schedules identifying major construction activities and shall notify the Board of any modifications to the schedule or schedules as they occur.

2. TransCanada shall cause the construction and installation of the additional facilities, herein referred to, to be commenced on or before 31 December 1988.

NATIONAL ENERGY BOARD



J.S. Klenavic
Secretary

SCHEDULE "A"

<u>Description</u>	TransCanada's <u>Estimated Direct Costs</u> (1988 Dollars)
<u>Compressor Relocations</u>	
Relocation of a 10.4 MW portable compressor unit from Station 136 to Station 95	\$1,140,000
Relocation of a 5.7 MW portable compressor unit from Station 134 to Station 147	<u>1,510,000</u>
Total	\$2,650,000



